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THIS MORTGAGE, Made this 1 day of July, 19.92, by  
LEWIS J. ERICKSON and LINDA J. ERICKSON, husband and wife

Mortgagor, to UNITED RESOURCES, INC., an Oregon corporation  
Mortgagee.

WITNESSETH, That said mortgagor, in consideration of  
\*\*\*SIXTY ONE THOUSAND NINE HUNDRED NINE AND 05/100 - - - - - Dollars,  
to mortgagor paid by said mortgagee, does hereby grant, bargain, sell and convey unto said mortgagee, mort-  
gagee's heirs, executors, administrators and assigns, that certain real property situated in Klamath  
County, State of Oregon, bounded and described as follows, to-wit:

15437 Greenwing Loop, Keno, Klamath, Oregon, 97627

Lot 9, Block 29, FIFTH ADDITION TO KLAMATH RIVER ACRES, according to the  
official plat thereof on file in the office of the County Clerk of Klamath  
County, Oregon.

This mortgage covers any and all indebtedness due United Resources, Inc./United Grocers,  
Inc.

Together with all and singular the tenements, hereditaments and appurtenances thereunto belonging  
or in anywise appertaining and which may hereafter thereto belong or appertain, and the rents, issues and  
profits therefrom, and any and all fixtures upon said premises at the time of the execution of this mortgage  
or at any time during the term of this mortgage.

TO HAVE AND TO HOLD the said premises with the appurtenances unto the said mortgagee, mort-  
gagee's heirs, executors, administrators and assigns forever.

This mortgage is intended to secure the payment of promissory note....., of which the  
following is a substantial copy: See attached note for \$61,909.05

The date of maturity of the debt secured by this mortgage is the date on which the last scheduled principal payment becomes  
due, to-wit:

And said mortgagor covenants to and with the mortgagee, mortgagee's heirs, executors, administrators and assigns, that mort-  
gagor is lawfully seized in fee simple of said premises and has a valid, unencumbered title thereto

and will warrant and forever defend the same against all persons; that mortgagor will pay said note, principal and interest, according  
to the terms thereof; that while any part of said note remains unpaid mortgagor will pay all taxes, assessments and other charges of  
every nature which may be levied or assessed against said property, or this mortgage or the note above described, when due and pay-  
able and before the same may become delinquent; that mortgagor will promptly pay and satisfy any and all liens or encumbrances  
that are or may become liens on the premises or any part thereof superior to the lien of this mortgage; that mortgagor will keep the  
buildings now on or which hereafter may be erected on the said premises continuously insured against loss or damage by fire and such  
other hazards as the mortgagee may from time to time require, in an amount not less than the original principal sum of the note or  
obligation secured by this mortgage, in a company or companies acceptable to the mortgagee, with loss payable first to the mort-  
gagee and then to the mortgagor as their respective interests may appear; all policies of insurance shall be delivered to the mort-  
gagee as soon as insured. Now if the mortgagor shall fail for any reason to procure any such insurance and to deliver said policies  
to the mortgagee at least fifteen days prior to the expiration of any policy of insurance now or hereafter placed on said buildings,  
the mortgagee may procure the same at mortgagor's expense; that mortgagor will keep the buildings and improvements on said  
premises in good repair and will not commit or suffer any waste of said premises. At the request of the mortgagee, the mortgagor  
shall join with the mortgagee in executing one or more financing statements pursuant to the Uniform Commercial Code, in form  
satisfactory to the mortgagee, and will pay for filing the same in the proper public office or offices, as well as the cost of all lien  
searches made by filing officers or searching agencies as may be deemed desirable by the mortgagee.

The mortgagor warrants that the proceeds of the loan represented by the above described note and this mortgage are:  
 (a) primarily for mortgagor's personal, family or household purposes (see Important Notice below),  
 (b) for an organization or (even if mortgagor is a natural person) are for business or commercial purposes.

Now, therefore, if said mortgagor shall keep and perform the covenants herein contained and shall pay said note according to its terms, this conveyance shall be void, but otherwise shall remain in full force as a mortgage to secure the performance of all of said covenants and the payment of said note; it being agreed that upon a failure to perform any covenant herein, or if a proceeding of any kind be taken to foreclose any lien on said premises or any part thereof, the mortgagee shall have the option to declare the whole amount unpaid on said note as on this mortgage at once due and payable, time being of the essence with respect to such payment and/or performance, and this mortgage may be foreclosed at any time thereafter. And if the mortgagor shall fail to pay any taxes or charges or any lien, encumbrance or insurance premium as above provided for, the mortgagee may at mortgagee's option do so, and any payment so made shall be added to and become a part of the debt secured by this mortgage, and shall bear interest at the same rate as said note without waiver. However, if any right arising to the mortgagee for breach of covenant. And this mortgage may be foreclosed for principal, interest and all sums paid by the mortgagee at any time while the mortgagor neglects to repay any sums so paid by the mortgagee. In the event of any suit or action being instituted to foreclose this mortgage, the losing party therein agrees to pay all reasonable costs incurred by the prevailing party for title reports and title search, all statutory costs and disbursements and such further sums as the trial court may adjudge reasonable as prevailing party's attorney's fees in such suit or action and if an appeal is taken from any judgment or decree entered therein the losing party therein further promises to pay such sum as the appellate court shall adjudge reasonable as prevailing party's attorney's fees on such appeal all such sums to be included in the court's decree.

Each and all of the covenants and agreements herein contained shall apply to and bind the heirs, executors, administrators, successors and/or assigns of said mortgagor and of said mortgagee respectively.

In case suit or action is commenced to foreclose this mortgage, the Court, may, upon motion of the mortgagee, appoint a receiver to collect the rents and profits arising out of said premises during the pendency of such foreclosure, and apply the same to the payment of the amount due under this mortgage, first deducting all proper charges and expenses attending the execution of said trust.

In construing this mortgage, it is understood that the mortgagee may be more than one person; that if the context so requires, the singular includes the plural and all grammatical changes shall be made so that this mortgage shall apply equally to corporations and to individuals. If the undersigned is a corporation, it has caused its name to be signed and its seal affixed by an officer, duly authorized thereto by order of its board of directors.

IN WITNESS WHEREOF, said mortgagor has executed this mortgage the day and year first above written.

LEWIS J. ERICKSON

LINDA J. ERICKSON

\*IMPORTANT NOTICE: Delete, by lining out, whichever warranty (a) or (b) is not applicable. If warranty (a) is applicable and if the mortgagee is a creditor, as such word is defined in the Truth-in-Lending Act and Regulation Z, the mortgagee MUST comply with the Act and Regulation by making required disclosures; for this purpose, use Stevens-Ness Form No. 1319, or equivalent.

STATE OF OREGON, )  
 County of Clatsop ) ss.

This instrument was acknowledged before me on July 8th, 1991, by

Lewis J. Erickson  
Linda J. Erickson  
 Notary Public for Oregon  
 My commission expires: Sept 18, 1993

STATE OF OREGON, )  
 County of \_\_\_\_\_ ) ss.

This instrument was acknowledged before me on \_\_\_\_\_, 19\_\_\_\_, by \_\_\_\_\_, as \_\_\_\_\_ of \_\_\_\_\_.

Notary Public for Oregon

(SEAL)

My commission expires: \_\_\_\_\_

## MORTGAGE

(FORM No. 105A)

STEVENS-NESS LAW PUB. CO., PORTLAND, OR 97208

LEWIS J. ERICKSON and  
 LINDA J. ERICKSON

to

UNITED RESOURCES, INC.

AFTER RECORDING RETURN TO  
 UNITED RESOURCES, INC.  
 ATTN: G.P. FLEMING  
 P.O. BOX 22187  
 PORTLAND, OR 97222

SPACE RESERVED  
 FOR  
 RECORDER'S USE

STATE OF OREGON )  
 County of \_\_\_\_\_ ) ss.

I certify that the within instrument was received for record on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M., and recorded in book/reel/volume No. \_\_\_\_\_, on page \_\_\_\_\_, or as fee/file/instrument/microfilm/reception No. \_\_\_\_\_, Record of Mortgage of said County.

Witness my hand and seal of County affixed.

NAME

TITLE

By \_\_\_\_\_ Deputy

SUBSEQUENT INSTALLMENT NOTE

**16165**

\$61,909.05

Date: July 8, 1992

THE UNDERSIGNED ("Borrowers"), jointly and severally, promise to pay to the order of UNITED RESOURCES, INC., an Oregon corporation, at Post Office Box 22187, Portland, Oregon, ("Payee"), the sum of \*\*\*SIXTY ONE THOUSAND NINE HUNDRED NINE AND 05/100 DOLLARS\*\*\* (\$61,909.05), payable in five (5) consecutive monthly installments of \*\*\*ONE THOUSAND TWO HUNDRED SEVENTY EIGHT AND NO/100 DOLLARS\*\*\* (\$1,278.00), including interest thereon from the date hereof, the first payment to be made on August 1, 1992, with subsequent payments to be made on the same day of each month thereafter until the final payment of \*\*\*FIFTY EIGHT THOUSAND ONE HUNDRED THIRTY SIX AND 28/100 DOLLARS (\$58,136.28) becomes due on January 1, 1993.

The outstanding principal balance will bear interest at a fixed rate of 8.75 percent. Interest shall be payable monthly on the same day as the principal, until the whole sum, principal and interest, has been paid. If any of said installments is not so paid, all principal and interest shall become immediately due and payable at the option of the holder of this Note. This Note may be prepaid in whole or in part at any time. All such prepayments will be applied first to accrued interest and then to principal installments due hereunder in inverse order of maturity.

This Note is issued in connection with and is subject to the terms of a loan agreement between the Borrowers and United Resources, Inc. and to additional documents guaranteeing the obligations hereunder or granting liens to secure same. Reference is made to such loan agreement and additional documents for other terms under which amounts payable hereunder may become immediately due and owing. Although United Resources, Inc. may sell, assign, or otherwise transfer this Note to a third party, this Note will continue to be subject to the loan agreement and such other documents.

Upon the failure of the Borrower to make any payment under this Note when due, Payee may, at its option and without further notice or demand, declare the unpaid principal balance of the Note and the accrued, but unpaid interest on the Note, immediately due and payable, and pursue any and all other rights, remedies and recourses available to Payee. Borrower hereby waives presentment and demand for payment, notice of intent to demand or accelerate maturity, notice of demand for acceleration of maturity, protest or notice of protest and nonpayment, bringing of suit in diligence and taking any action to collect sums owing under this Note. No extension for time for the payment of this Note or any installment hereof shall affect the liability of Borrower. The failure of the Payee to exercise any of its rights or options under this Note shall not constitute a waiver of the right to exercise the same or right or option at any subsequent time with respect to the same or any other events.

If this Note is placed in the hands of an attorney for collection, Borrowers promise and agree to pay the reasonable attorneys' fees and collection costs of the holder of this Note even though no suit or action is filed hereon; if a suit or an action is filed, the Borrowers must pay such reasonable attorneys' fees as shall be fixed by the court or courts in which the suit or action, including any appeal therein, is tried, heard and decided.

BORROWERS:

LEWIS J. ERICKSON, LINDA J. ERICKSON,  
JOSEPH C. FORPAHL and ROBERTA H. FORPAHL,  
a Partnership:

DBA KENO FOOD CENTER

Lewis J. Erickson  
Lewis J. Erickson

Linda J. Erickson  
Linda Erickson

Joseph C. Forpahl  
Joseph C. Forpahl

Roberta H. Forpahl  
Roberta H. Forpahl

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of United Resources, Inc. the 22nd day  
of July A.D. 19 92 at 10:14 o'clock A.M., and duly recorded in Vol. M92  
of Mortgages on Page 16163

FEE \$20.00

Evelyn Biehn County Clerk

By Pauline M. Mucke